

# star BUSINESS

## Govt goes heavy on bank borrowing as private demand falls

AHSAN HABIB

The government has increased its reliance on bank financing in recent months as revenue collection struggles to keep pace with spending, while private sector credit growth remains at one of its lowest levels in decades.

According to the Bangladesh Bank (BB), outstanding bank loans to the government rose 24.45 percent in September compared with a year earlier, reaching Tk 5.65 lakh crore.

By contrast, loans to the private sector increased by just 6.29 percent year-on-year to Tk 17.56 lakh crore, down slightly from 6.35 percent in August. In September 2024, private sector lending stood at Tk 16.52 lakh crore.

This marks the slowest pace of expansion in at least 20 years, showing how businesses are holding back on fresh investment amid high borrowing costs, uncertainty ahead of the national election, and subdued consumer demand.

### IPDC ডিপোজিট | ১৬৫১৯

Towfiqul Islam Khan, additional research director at the Centre for Policy Dialogue (CPD), said the government currently has "very lean" fiscal space because revenue collections have repeatedly missed projections.

Official figures show that the National Board of Revenue (NBR) fell short of its collection target for the 13th consecutive year in the last fiscal year.

NBR's overall receipts reached Tk 3.7 lakh crore in FY25, leaving a shortfall of Tk 92,626 crore against the revised target.

In the July-September quarter of FY26, the revenue board's collection rose 20 percent to Tk 75,554 crore, according to provisional data. However, it missed its quarterly target of Tk 99,900 crore, leaving a shortfall of more than Tk 24,000 crore.

From July to October, revenue collection grew 15 percent year-on-year to Tk 103,400 crore, but the gap against the target remained around Tk 33,300 crore, according to the NBR.

With limited funds from savings instruments and little scope for external borrowing, Khan said the government has been forced to rely more heavily on the banking system.

"For now, the banks have become the only option," he said.

Khan also noted that the high level of government borrowing limits the central bank's ability to reduce policy rates to stimulate private investment. [READ MORE ON B3](#)

## HSBC to honour top exporters today

STAR BUSINESS REPORT

HSBC Bangladesh will honour the country's top exporters today for their leadership and ongoing contributions in promoting Bangladesh globally and supporting sustainable growth.

The British multinational bank will present the HSBC Export Excellence Awards in four categories at a ceremony in a Dhaka hotel this evening. This is the ninth time HSBC is recognising Bangladesh's leading exporters.

The awards are supported by the Ministry of Commerce and the British High Commission in Dhaka.

Winners are selected based on their contribution to exports and the wider economy, as well as their performance in diversity, responsibility, sustainable business practices, governance, and compliance.

Commerce Adviser Sk Bashir Uddin is expected to present the awards, while British High Commissioner to Bangladesh Sarah Cooke and Bangladesh Bank Governor Ahsan H Mansur are likely to attend.

HSBC announced the awards in August and invited applications.

Commenting on the initiative, PRAN-RFL Group Chairman and CEO Ahsan Khan Chowdhury

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## Mid-range apartments prop up ailing property market

Premium segment buyers largely missing after the political changeover, while low-end customers beaten out of market

### PROPERTY MARKET WEAK FOR 3 YEARS

#### WHY

People delaying apartment purchases amid economic slowdown

Costlier home loans, tougher financing weakening real estate business

### WEIGHTED AVERAGE INTEREST RATE ON ADVANCES

September month



SOURCE BB

#### JAGARAN CHAKMA

Sales of mid-segment apartments now appear to be the saviour of a property market that has been struggling for nearly three years amid economic turbulence and political uncertainty

Realtors say they once sold around 1,000 units a year, but annual sales have fallen by half after gradual fall over the years.

Even so, upper-middle-income

families and professionals continue to buy flats priced between Tk 1 crore and Tk 2 crore.

These homes, mostly in Dhaka and Chattogram, are roughly 1,200 square feet in size.

"The upper-middle-income group still shows some interest," said Aysha Siddiqua, executive director for brand and communication at real estate developer bti.

Commercial banks also

#### Premium

Price: Around Tk 2.5cr, size: 2000+ sq ft

Buyers: Political figures, businessmen

Demand down 60%

#### Mid-range

Price: Tk 1- Tk 2cr, size: Around 1200 sq ft

Buyers: Professionals, middle income people

Demand down 40-50%

#### Low-end

Price: Below Tk 1cr, size: 850-1050 sq ft

Demand heavily down

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Campaign duration: December 1, 2025 – January 31, 2026

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